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7 Proposed Attorneys for John Pringle,  
Chapter 7 Trustee  
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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **LOS ANGELES DIVISION**  
13

14 In re  
15 CINEMA MANAGEMENT GROUP, LLC,  
16  
17 Debtor.

Case No. 2:24-bk-20369-NB

Chapter 7

**MOTION TO CONVERT CHAPTER 7  
CASE TO ONE UNDER CHAPTER 11  
AND FOR APPOINTMENT OF  
CHAPTER 11 TRUSTEE;  
DECLARATIONS OF JOHN PRINGLE,  
TODD A. FREALLY AND PHILIP FIER  
IN SUPPORT THEREOF**

Hearing:

Date: [To be set]  
Time: [To be set]  
Place: 255 E. Temple Street  
Courtroom "1545"  
Los Angeles, California

[EX PARTE APPLICATION FOR ORDER  
SHORTENING TIME FILED  
CONCURRENTLY HEREWITH]

**TO THE HONORABLE NEIL W. BASON, UNITED STATES  
BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE,  
AND ALL PARTIES REQUESTING SPECIAL NOTICE:**

**PLEASE TAKE NOTICE** that John Pringle, the Chapter 7 trustee (“Trustee”) for the bankruptcy estate of Cinema Management Group, LLC, the debtor in the above-captioned Chapter 7 bankruptcy case (the “Debtor”), hereby files this motion (the “Motion”) for the entry of an order converting the Debtor’s Chapter 7 bankruptcy case to one under Chapter 11 pursuant to 11 U.S.C. § 706(b) and authorizing the appointment of the Trustee as the Chapter 11 trustee pursuant to 11 U.S.C. § 1104.

As described in detail in the Memorandum of Points and Authorities annexed hereto, based upon the Trustee’s initial analysis of the Debtor’s assets (including the Debtor’s distribution rights related to a library of eighty-two (82) feature films), the Debtor’s liabilities, and the Debtor’s business operations, and discussions with, among others, Philip Fier of Focus Advisory Services (a third party valuation expert within the film and television industry), the Trustee believes that the best way to maximize the value of the Debtor’s assets and realize the highest recovery for the Debtor’s creditors is to convert the Debtor’s case to one under Chapter 11 and maintain the Debtor’s business operations in the ordinary course while pursuing an expedited sale process for the Debtor’s assets. The Trustee believes that it would be far more effective to undertake the foregoing actions, particularly the continued operation of the Debtor’s business, within the context of a Chapter 11 case. In the Trustee’s experience, collection of accounts receivable is far more difficult in the context of a Chapter 7 case and counterparties are much less likely to perform or pay. In addition, in the Trustee’s experience, a sale in Chapter 7 will attract fewer and less serious buyers than a sale of the same assets in Chapter 11, particularly if the business is continuing to be operated as a going concern.

If the conversion of the Debtor’s case is authorized by the Court, it is urgent that the Trustee seek and obtain the use of cash collateral to operate the Debtor’s business and retain professionals to conduct a sale process for the Debtor’s assets as quickly as possible. While

1 certain of the Debtor's employees and contractors have agreed to provide cooperation with the  
2 Trustee's efforts, they cannot be held in limbo for long and require immediate clarification  
3 about their roles in the Debtor's case going forward. In addition, if the Debtor's case is not  
4 converted to one under Chapter 11, the Trustee will need to determine whether to immediately  
5 seek an extension of the February 18, 2025 deadline set forth in 11 U.S.C. § 365(d) to assume or  
6 reject all of the Debtor's unexpired contracts (*i.e.*, sales agency agreements and distribution  
7 agreements related to the Debtor's library of 82 films) to try to preserve the value of the  
8 Debtor's rights under such contracts. Accordingly, the Trustee has filed concurrently herewith  
9 an *ex parte* application for an order shortening time on notice for hearing on the Motion,  
10 pursuant to which **the Trustee is seeking to have the Motion heard at the earliest date and**  
11 **time that is available to the Court, but no later than February 7, 2025.**

12 The Motion is based upon this Motion, the Memorandum of Points and Authorities, the  
13 Declarations of John Pringle, Todd A. Frealy and Philip Fier annexed hereto, the entire record in  
14 the Debtor's bankruptcy case, and any other evidence properly presented to the Court at or prior  
15 to the hearing on the Motion.

16 **WHEREFORE**, the Trustee respectfully requests that the Court enter an Order:

- 17 1. granting the Motion in its entirety;
- 18 2. converting the Debtor's Chapter 7 bankruptcy case to one under Chapter 11;
- 19 3. appointing the Trustee as the Chapter 11 trustee of the Debtor's bankruptcy
- 20 estate; and

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1 4. granting such other and further relief as may be necessary or appropriate under  
2 the circumstances.

3 Dated: January 30, 2025

JOHN PRINGLE, CHAPTER 7 TRUSTEE OF  
CINEMA MANAGEMENT GROUP, LLC

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5   
6

By: \_\_\_\_\_

7 TODD A. FREALY  
8 JULIET Y. OH  
9 JEFFREY S. KWONG  
LEVENE, NEALE, BENDER, YOO  
& GOLUBCHIK L.L.P.  
Attorneys for Chapter 7 Trustee

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. STATEMENT OF FACTS**

1. Cinema Management Group, LLC (the “Debtor”) commenced its bankruptcy case by filing a voluntary petition under Chapter 7 of title 11, sections 101 *et seq.* of the United States Code (the “Bankruptcy Code”) on December 20, 2024 (the “Petition Date”).

2. On or shortly after the Petition Date, Elissa Miller was appointed as the Chapter 7 trustee of the Debtor’s bankruptcy estate. Thereafter, on January 3, 2025, Ms. Miller resigned as the Chapter 7 trustee in the Debtor’s case due to a conflict of interest or a situation creating the appearance of a possible conflict [Doc. No. 5].

3. On or about January 9, 2025, John Pringle was appointed as the Chapter 7 trustee (“Trustee”) of the Debtor’s bankruptcy estate.

4. The Debtor is a full service international sales company that was previously headed by veteran sales and distribution executive, Edward Noeltner. According to the Debtor’s company website (<https://www.cinemamanagementgroup.com>), the Debtor was launched in 2003 with the exclusive international sales on *Hoodwinked – The True Story Of Little Red Riding Hood*, the hit animated feature which went on to gross over \$110 million in its worldwide theatrical release and, since 2003, the Debtor has added over 80 titles to its line-up which includes quality feature films of all genres, 3-D animated features and series as well as award-winning feature-length documentaries and series.

5. As of the Petition Date, the Debtor held distribution rights related to eighty-two (82) feature films. Typically, for each feature film, the Debtor entered into a written sales agency agreement with the production company that owns the rights to such film (each, a “Sales Agency Agreement,” and collectively, the “Sales Agency Agreements”), pursuant to which the Debtor was granted the exclusive right to negotiate and enter into agreements (the “Distribution Agreements”) with third party distributors, licensees and broadcasters (“Distributors”) to distribute the film within specified territories.

1           6.       The Sales Agency Agreements generally provide for the Debtor to represent the  
2 films within the market (including to promote and market the films at film and television  
3 festivals/markets), to negotiate and enter into Distribution Agreements to distribute the films, to  
4 collect revenues due from Distributors under the Distribution Agreements, to ensure the timely  
5 delivery of film materials to Distributors as required under the Distribution Agreements, and to  
6 consult with the production company regarding the status of the foregoing sales and distribution  
7 activities. In exchange for such services, the Debtor is typically entitled to the payment of a  
8 commission based on the gross receipts earned from the distribution of the film rights, plus  
9 certain recoupable expenses as specified in the Sales Agency Agreements.

10           7.       The Debtor's filed bankruptcy schedules [Doc. No. 1] list assets with a total  
11 estimated value of approximately \$2,432,000 as of the Petition Date, including cash of  
12 approximately \$1,248,000 and outstanding accounts receivable with a total face value of  
13 approximately \$240,000. The foregoing figures do not take into account the value of the  
14 payments potentially due to the Debtor from Distributors under the terms of the Distribution  
15 Agreements (the "Potential Distribution Collections"), which the Debtor's schedules attributes  
16 an "Unknown" value to.

17           8.       The Debtor's filed bankruptcy schedules list two secured debts owed to Banc of  
18 California and Bondit LLC totaling approximately \$2,918,000 and unsecured debts totaling  
19 approximately \$7,356,000. All but \$150,000 of the total amount of unsecured debt listed by the  
20 Debtor relates to obligations purportedly due from the Debtor under the Sales Agency  
21 Agreements.

22           9.       Immediately following his appointment, the Trustee and his proposed counsel  
23 began evaluating the Debtor's assets (including the Debtor's rights under the Sales Agency  
24 Agreements and Distribution Agreements), the Debtor's liabilities, and the Debtor's business  
25 operations to determine the best way to maximize the value of the Debtor's assets and realize  
26 the highest recovery for the Debtor's creditors.

1           10.     Based on the Trustee's investigation to date, the amount of the secured debt owed  
2 by the Debtor to Banc of California is substantially overstated by the Debtor and is actually only  
3 approximately \$1,400,000 (vs. \$2,580,000 as listed in the Debtor's bankruptcy schedules).  
4 Accordingly, the total amount of the Debtor's secured debt is approximately \$1,738,000 (vs.  
5 \$2,918,000 as listed in the Debtor's bankruptcy schedules).

6           11.     The Trustee believes, based upon his discussions with the Debtor's principals and  
7 employees as well as Philip Fier of Focus Advisory Services, a third-party valuation expert  
8 within the film and television industry, that if the Debtor's case is converted to one under  
9 Chapter 11, the Debtor's business operations can be maintained in the ordinary course of  
10 business (on a streamlined basis), and the value of the Sales Agency Agreements and  
11 Distribution Agreements can be preserved and maximized for the benefit of the Debtor's  
12 creditors through an expedited sale process.

13           12.     Based on his preliminary analysis of the Debtor's film library and related rights,  
14 Mr. Fier has advised that a Chapter 11 sale process for the Debtor's assets, which maintains the  
15 Debtor's business as a going concern, would be the best way to attract serious buyers and  
16 maximize the value that can be realized for the Debtor's assets. Mr. Fier believes that a sale  
17 process for the Debtor's assets could be accomplished within approximately sixty (60) days. If  
18 the Court grants this motion and converts the Debtor's case to one under Chapter 11, the Trustee  
19 intends to immediately retain Mr. Fier and his firm, Focus Advisory Services, to get a marketing  
20 and sale process under way.

21           13.     The Trustee believes that Tiffany Kilgore, the Marketing and Logistics Director  
22 for the Debtor, and Makayla Wilson, the Head of Operations for the Debtor, are both willing to  
23 work with the Trustee to maintain the Debtor's business operations and fulfill the Debtor's  
24 obligations under the Sales Agency Agreements and Distribution Agreements. Ms. Kilgore, who  
25 has worked with the Debtor for over a decade, will be able to provide guidance regarding the  
26 terms of the Sales Agency Agreements and Distribution Agreements, ensure compliance with  
27 marketing and advertising commitments related to the films in the Debtor's library, collect  
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1 amounts owed from Distributors, and perform other related services. Ms. Wilson will be able to  
2 invoice Distributors to ensure timely collections under the Distribution Agreements, perform  
3 general bookkeeping services, and manage and update the list of the Debtor's library of film  
4 rights. Due to personal issues, Edward Noeltner (the Debtor's President) will not be involved  
5 with "day to day" operations, but has informed the Trustee that he will be available for any  
6 questions.

## 7 **II. DISCUSSION**

8 11 U.S.C. § 706(b) gives an interested party in a Chapter 7 bankruptcy case the right to  
9 seek the entry of a Court order converting the case to one under Chapter 11 of the Bankruptcy  
10 Code. Section 706(b) specifically states that "[o]n request of a party in interest and after notice  
11 and a hearing, the court may convert a case under this chapter to a case under chapter 11 of this  
12 title at any time." 11 U.S.C. § 706(b).

13 Although the term "party in interest" is not specifically defined in the Bankruptcy Code,  
14 11 U.S.C. § 1109(b) refers to the term and presumes to include a trustee. Specifically, Section  
15 1109(b) states that "[a] party in interest, including the debtor, the *trustee*, a creditors'  
16 committee, an equity security holders' committee, a creditor, an equity security holder, or any  
17 indenture trustee, may raise and may appear and be heard on any issue in a case under this  
18 chapter." 11 U.S.C. § 1109(b) (emphasis added). Since a Chapter 7 trustee is required under the  
19 Bankruptcy Code to act as the representative of a debtor's estate and holds a statutory duty to,  
20 among other things, ensure that the estate is properly liquidated, a Chapter 7 trustee is  
21 indisputably a "party in interest" for purposes of seeking the conversion of a case to maximize  
22 the value of estate assets for the benefit of creditors. *See* 11 U.S.C. §§ 323 and 704. Based on  
23 the foregoing, the Trustee submits that he is a party in interest entitled to seek the conversion of  
24 the Debtor's Chapter 7 bankruptcy case to one under Chapter 11 pursuant to 11 U.S.C. § 706.

25 Whether to convert a Chapter 7 case to one under Chapter 11 is within the sound  
26 discretion of the court and depends upon whether conversion would "inure to the benefit of all  
27 parties in interest." *In re LaFountaine*, 2016 WL 3344003 \*2 (B.A.P. 9th Cir. 2016). Courts  
28



1 have considered a variety of factors in deciding whether to convert a case from chapter 7 to  
2 chapter 11 under § 706(b), including whether conversion benefits all parties in the case and  
3 whether creditors would receive more in a chapter 11 than a chapter 7. *In re Parvin*, 538 B.R.  
4 96, 102 (Bankr. W.D. Wash. 2015) (citations omitted).

5 As noted above, the Trustee believes, based upon his discussions with the Debtor's  
6 principals and employees as well as Mr. Fier of Focus Advisory Services, that if the Debtor's  
7 case is converted to one under Chapter 11, the Debtor's business operations can be maintained  
8 in the ordinary course of business (on a streamlined basis), and the value of the Sales Agency  
9 Agreements and Distribution Agreements can be preserved and maximized for the benefit of the  
10 Debtor's creditors through an expedited sale process.

11 As reflected in the Declaration of Philip Fier annexed hereto, conducting a sale process  
12 in the context of a Chapter 11 case, while maintaining the Debtor's business as a going concern,  
13 is the best way to attract serious buyers and maximize the value that can be realized for the  
14 Debtor's assets.

15 With the assistance of Ms. Kilgore and Ms. Wilson, the Trustee believes that the Debtor  
16 will be able to sustain its business operations at a level sufficient to (a) comply with the  
17 Debtor's obligations under the Sales Agency Agreements and Distribution Agreements, (b)  
18 collect the Potential Distribution Collections in the ordinary course of its business, and (c)  
19 pursue a marketing and sale process for the Debtor's assets, which together could result in a  
20 potentially significant recovery for the Debtor's unsecured creditors. The Trustee believes that it  
21 would be far more effective to undertake the foregoing actions, particularly the continued  
22 operation of the Debtor's business, within the context of a Chapter 11 case. In the Trustee's  
23 experience, collection of accounts receivable is far more difficult in the context of a Chapter 7  
24 case and counterparties are much less likely to perform or pay. In addition, in the Trustee's  
25 experience, a sale in Chapter 7 will attract fewer and less serious buyers than a sale of the same  
26 assets in Chapter 11, particularly if the business is continuing to be operated as a going concern.

1 Based on the foregoing, the Trustee strongly believes that the conversion of the Debtor's  
2 case to one under Chapter 11 will maximize the value of the Debtor's assets and result in the  
3 best and highest recovery for the Debtor's creditors.

4 In addition to an order converting the Debtor's bankruptcy case to one under Chapter 11,  
5 the Trustee requests that the Court enter an order appointing him as the Chapter 11 trustee of the  
6 Debtor's bankruptcy case.

7 11 U.S.C. § 1104 gives the Court the power to appoint a trustee. Specifically, section  
8 1104(a) states as follows:

- 9 (a) At any time after the commencement of the case but before  
10 confirmation of a plan, on request of a party in interest or the United  
11 States trustee, and after notice and a hearing, the court shall order the  
12 appointment of a trustee –  
13 (1) for cause, including fraud, dishonesty, incompetence, or gross  
14 mismanagement of the affairs of the debtor by current  
15 management, either before or after the commencement of the  
16 case, or similar cause, but not including the number of holders  
17 of securities of the debtor or the amount of assets or liabilities  
18 of the debtor; or  
19 (2) if such appointment is in the interests of creditors, any equity  
20 security holders, and other interests of the estate, without  
21 regard to the number of holders of securities of the debtor or  
22 the amount of assets or liabilities of the debtor.

23 The Debtor's President, Edward Noeltner, has advised that, due to personal reasons, he  
24 will not be available to run (or even be involved with) the Debtor's "day to day" operations. As  
25 a result, the Debtor is currently left without any management, which the Trustee submits  
26 constitutes cause under Section 1104(a)(1) to appoint a Chapter 11 trustee in the Debtor's case.  
27 Given the current void in management, the Trustee submits that the appointment of a qualified  
28 Chapter 11 trustee, who can manage the operation of the Debtor's business, oversee a sale  
process for the Debtor's assets, and ensure the orderly liquidation and administration of the  
Debtor's estate, is necessary and in the overwhelming best interests of the Debtor's creditors.  
Accordingly, cause also exists under Section 1104(a)(2) to appoint a Chapter 11 trustee in the  
Debtor's case.

1 The Trustee submits that he is well qualified to act as the Chapter 11 trustee of the  
2 Debtor's bankruptcy estate, particularly since he and his proposed counsel have already spent a  
3 considerable amount of time and resources investigating the Debtor's assets, liabilities and  
4 business operations and are therefore best positioned to proceed with the administration of the  
5 Debtor's estate without undue delay.

6 Based on the foregoing, the Trustee requests that, concurrently with the conversion of  
7 the Debtor's bankruptcy case to one under Chapter 11, the Court appoint him as Chapter 11  
8 trustee of the Debtor's bankruptcy estate pursuant to 11 U.S.C. § 1104(a).

9  
10 **III. CONCLUSION**

11 **WHEREFORE**, the Trustee respectfully requests that the Court enter an Order:

- 12 1. granting the Motion in its entirety;
- 13 2. converting the Debtor's Chapter 7 bankruptcy case to one under Chapter 11;
- 14 3. appointing the Trustee as the Chapter 11 trustee of the Debtor's bankruptcy  
15 estate; and
- 16 4. granting such other and further relief as may be necessary or appropriate under  
17 the circumstances.

18 Dated: January 30, 2025

JOHN PRINGLE, CHAPTER 7 TRUSTEE OF  
CINEMA MANAGEMENT GROUP, LLC

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20 

21 By: \_\_\_\_\_

22 TODD A. FREALY  
23 JULIET Y. OH  
24 JEFFREY S. KWONG  
25 LEVENE, NEALE, BENDER, YOO  
26 & GOLUBCHIK L.L.P.  
27 Attorneys for Chapter 7 Trustee  
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**DECLARATION OF JOHN PRINGLE**

I, John Pringle, hereby declare as follows:

1. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto. I am the duly appointed Chapter 7 Trustee of the bankruptcy estate of Cinema Management Group, LLC (the “Debtor”).

2. I submit this declaration in support of my motion for the entry of an order converting the Debtor’s Chapter 7 bankruptcy case to one under Chapter 11 pursuant to 11 U.S.C. § 706(b) and authorizing my appointment as the Chapter 11 trustee pursuant to 11 U.S.C. § 1104 (the “Motion”). All capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Motion.

3. The Debtor commenced its bankruptcy case by filing a voluntary petition under Chapter 7 of the Bankruptcy Code on December 20, 2024 (the “Petition Date”).

4. I am advised and believe that, on or shortly after the Petition Date, Elissa Miller was appointed as the Chapter 7 trustee of the Debtor’s bankruptcy estate. I am further advised and believe that, on January 3, 2025, Ms. Miller resigned as the Chapter 7 trustee in the Debtor’s case due to a conflict of interest or a situation creating the appearance of a possible conflict [Doc. No. 5].

5. On or about January 9, 2025, I was appointed as the Chapter 7 Trustee of the Debtor’s bankruptcy estate.

6. I am advised and believe that the Debtor is a full service international sales company that was previously headed by veteran sales and distribution executive, Edward Noeltner. According to the Debtor’s company website (<https://www.cinemamanagementgroup.com>), the Debtor was launched in 2003 with the exclusive international sales on *Hoodwinked – The True Story Of Little Red Riding Hood*, the hit animated feature which went on to gross over \$110 million in its worldwide theatrical release and, since 2003, the Debtor has added over 80 titles to its line-up which includes quality feature films of all genres, 3-D animated features and series as well as award-winning feature-length documentaries and series.

1           7.       Based on my investigation to date, as of the Petition Date, the Debtor held  
2 distribution rights related to eighty-two (82) feature films. Typically, for each feature film, the  
3 Debtor entered into a written sales agency agreement with the production company that owns  
4 the rights to such film (each, a “Sales Agency Agreements,” and collectively, the “Sales Agency  
5 Agreements”), pursuant to which the Debtor was granted the exclusive right to negotiate and  
6 enter into agreements (the “Distribution Agreements”) with third party distributors, licensees  
7 and broadcasters (“Distributors”) to distribute the film within specified territories.

8           8.       I am advised and believe that the Sales Agency Agreements generally provide for  
9 the Debtor to represent the films within the market (including to promote and market the films at  
10 film and television festivals/markets), to negotiate and enter into Distribution Agreements to  
11 distribute the films, to collect revenues due from Distributors under the Distribution  
12 Agreements, to ensure the timely delivery of film materials to Distributors as required under the  
13 Distribution Agreements, and to consult with the production company regarding the status of the  
14 foregoing sales and distribution activities. In exchange for such services, the Debtor is typically  
15 entitled to the payment of a commission based on the gross receipts earned from the distribution  
16 of the film rights, plus certain recoupable expenses as specified in the Sales Agency  
17 Agreements.

18           9.       The Debtor’s filed bankruptcy schedules [Doc. No. 1] list assets with a total  
19 estimated value of approximately \$2,432,000 as of the Petition Date, including cash of  
20 approximately \$1,248,000 and outstanding accounts receivable with a total face value of  
21 approximately \$240,000. The foregoing figures do not take into account the value of the  
22 payments potentially due to the Debtor from Distributors under the terms of the Distribution  
23 Agreements (the “Potential Distribution Collections”), which the Debtor’s schedules attributes  
24 an “Unknown” value to.

25           10.      The Debtor’s filed bankruptcy schedules list two secured debts owed to Banc of  
26 California and Bondit LLC totaling approximately \$2,918,000 and unsecured debts totaling  
27 approximately \$7,356,000. All but \$150,000 of the total amount of unsecured debt listed by the  
28

1 Debtor relates to obligations purportedly due from the Debtor under the Sales Agency  
2 Agreements.

3 11. Immediately following his appointment, my proposed counsel and I began  
4 evaluating the Debtor's assets (including the Debtor's rights under the Sales Agency  
5 Agreements and Distribution Agreements), the Debtor's liabilities, and the Debtor's business  
6 operations to determine the best way to maximize the value of the Debtor's assets and realize  
7 the highest recovery for the Debtor's creditors.

8 14. Based on my investigation to date, which includes a discussion my proposed  
9 counsel had with counsel for secured creditor Banc of California, the amount of the secured debt  
10 owed by the Debtor to Banc of California is substantially overstated by the Debtor and is  
11 actually only approximately \$1,400,000 (vs. \$2,580,000 as listed in the Debtor's bankruptcy  
12 schedules). Accordingly, the total amount of the Debtor's secured debt is approximately  
13 \$1,738,000 (vs. \$2,918,000 as listed in the Debtor's bankruptcy schedules).

14 15. I believe, based upon my discussions with the Debtor's principals and employees  
15 as well as Philip Fier of Focus Advisory Services, a third-party valuation expert within the film  
16 and television industry, that if the Debtor's case is converted to one under Chapter 11, the  
17 Debtor's business operations can be maintained in the ordinary course of business (on a  
18 streamlined basis), and the value of the Sales Agency Agreements and Distribution Agreements  
19 can be preserved and maximized for the benefit of the Debtor's creditors through an expedited  
20 sale process.

21 16. Based on Mr. Fier's preliminary analysis of the Debtor's film library and related  
22 rights, Mr. Fier has advised that a Chapter 11 sale process for the Debtor's assets, which  
23 maintains the Debtor's business as a going concern, would be the best way to attract serious  
24 buyers and maximize the value that can be realized for the Debtor's assets. Mr. Fier has advised  
25 that he believes that a sale process for the Debtor's assets could be accomplished within  
26 approximately sixty (60) days. If the Court grants the Motion and converts the Debtor's case to  
27 one under Chapter 11, I intend to immediately retain Mr. Fier and his firm, Focus Advisory  
28 Services, to get a marketing and sale process under way.

1           17. I am advised and believe that Tiffany Kilgore, the Marketing and Logistics  
2 Director for the Debtor, and Makayla Wilson, the Head of Operations for the Debtor, are both  
3 willing to work with me to maintain the Debtor's business operations and fulfill the Debtor's  
4 obligations under the Sales Agency Agreements and Distribution Agreements. Ms. Kilgore, who  
5 has worked with the Debtor for over a decade, will be able to provide guidance regarding the  
6 terms of the Sales Agency Agreements and Distribution Agreements, ensure compliance with  
7 marketing and advertising commitments related to the films in the Debtor's library, collect  
8 amounts owed from Distributors, and perform other related services. Ms. Wilson will be able to  
9 invoice Distributors to ensure timely collections under the Distribution Agreements, perform  
10 general bookkeeping services, and manage and update the list of the Debtor's library of film  
11 rights. Due to personal issues, Edward Noeltner (the Debtor's President) as advised that he will  
12 not be involved with "day to day" operations, but has informed me that he will be available for  
13 any questions.

14           18. With the assistance of Ms. Kilgore and Ms. Wilson, I believe that the Debtor will  
15 be able to sustain its business operations at a level sufficient to (a) comply with the Debtor's  
16 obligations under the Sales Agency Agreements and Distribution Agreements, (b) collect the  
17 Potential Distribution Collections in the ordinary course of its business, and (c) pursue a  
18 marketing and sale process for the Debtor's assets, which together could result in a potentially  
19 significant recovery for the Debtor's unsecured creditors. I believe that it would be far more  
20 effective to undertake the foregoing actions, particularly the continued operation of the Debtor's  
21 business, within the context of a Chapter 11 case. In my experience, collection of accounts  
22 receivable is far more difficult in the context of a Chapter 7 case and counterparties are much  
23 less likely to perform or pay. In addition, in my experience, a sale in Chapter 7 will attract fewer  
24 and less serious buyers than a sale of the same assets in Chapter 11, particularly if the business  
25 is continuing to be operated as a going concern.

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1 19. I believe that I am well qualified to act as the Chapter 11 trustee of the Debtor's  
2 bankruptcy estate, particularly since my proposed counsel and I have already spent a  
3 considerable amount of time and resources investigating the Debtor's assets, liabilities and  
4 business operations and are therefore best positioned to proceed with the administration of the  
5 Debtor's estate without undue delay.

6 20. If the conversion of the Debtor's case is authorized by the Court, it is urgent that  
7 I seek and obtain the use of cash collateral to operate the Debtor's business and retain  
8 professionals to conduct a sale process for the Debtor's assets as quickly as possible. While Ms.  
9 Kilgore and Ms. Wilson have agreed to provide cooperation with my efforts, they cannot be  
10 held in limbo for long and require immediate clarification about their roles in the Debtor's case  
11 going forward. In addition, if the Debtor's case is not converted to one under Chapter 11, I will  
12 need to determine whether to immediately seek an extension of the February 18, 2025 deadline  
13 set forth in 11 U.S.C. § 365(d) to assume or reject all of the Debtor's unexpired Sales Agency  
14 Agreements and Distribution Agreements to try to preserve the value of the Debtor's rights  
15 under such contracts. Accordingly, I am seeking to have the Motion heard at the earliest date  
16 and time that is available to the Court, but no later than February 7, 2025.

17 I declare under penalty of perjury under the laws of the United States of America that the  
18 foregoing is true and correct.

19 Executed on this 30<sup>th</sup> day of January, 2025, at Industry, California.

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\_\_\_\_\_  
JOHN PRINGLE



**DECLARATION OF TODD A. FREALY**

I, Todd A. Frealy, hereby declare as follows:

1. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am a partner of Levene, Neale, Bender, Yoo & Golubchik L.L.P. ("LNBYG"), proposed bankruptcy counsel to John Pringle (the "Trustee"), the Chapter 7 trustee of the bankruptcy estate of Cinema Management Group, LLC (the "Debtor"). I am licensed to practice law in the State of California and before this Court.

3. I submit this declaration in support of the Trustee's motion for the entry of an order converting the Debtor's Chapter 7 bankruptcy case to one under Chapter 11 pursuant to 11 U.S.C. § 706(b) and authorizing my appointment as the Chapter 11 trustee pursuant to 11 U.S.C. § 1104 (the "Motion"). All capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Motion.

4. Immediately following his appointment as Trustee on January 9, 2025, the Trustee and LNBYG began evaluating the Debtor's assets (including the Debtor's rights under the Sales Agency Agreements and Distribution Agreements), the Debtor's liabilities, and the Debtor's business operations to determine the best way to maximize the value of the Debtor's assets and realize the highest recovery for the Debtor's creditors.

5. I was advised by Jennifer Hardy of Wilkie Farr & Gallagher LLP, who is counsel for the Debtor's secured creditor Banc of California, that the amount of the secured debt owed by the Debtor to Banc of California is approximately \$1,400,000.

6. I have had numerous discussions and exchanged correspondence with both Tiffany Kilgore, the Marketing and Logistics Director for the Debtor, and Makayla Wilson, the Head of Operations for the Debtor. Both Ms. Kilgore and Ms. Wilson have confirmed that they are willing to work with the Trustee to maintain the Debtor's business operations and fulfill the Debtor's obligations under the Sales Agency Agreements and Distribution Agreements. Ms. Kilgore, who has worked with the Debtor for over a decade, will be able to provide guidance regarding the terms of the Sales Agency Agreements and Distribution Agreements, ensure

1 compliance with marketing and advertising commitments related to the films in the Debtor's  
2 library, collect amounts owed from Distributors, and perform other related services. Ms. Wilson  
3 will be able to invoice Distributors to ensure timely collections under the Distribution  
4 Agreements, perform general bookkeeping services, and manage and update the list of the  
5 Debtor's library of film rights. Due to personal issues, Edward Noeltner (the Debtor's President)  
6 will not be involved with "day to day" operations, but has informed the Trustee and me that he  
7 will be available for any questions.

8 I declare under penalty of perjury under the laws of the United States of America that the  
9 foregoing is true and correct.

10 Executed on this 30<sup>th</sup> day of January, 2025, at Los Angeles, California.

11  
12  
13 Todd A. Frealy  
14 TODD A. FREALY

**DECLARATION OF PHILIP FIER**

I, Philip Fier, hereby declare as follows:

1. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am the principal of Focus Advisory Services (“Focus Advisory”), a firm which provides financial and strategic consulting services to some of the largest independent film and television companies in Hollywood, multinational media and entertainment companies, international tax and equity funds, national law firms and independent producers. Prior to Focus Advisory, I was Senior Vice President of Business Development at Sony Pictures Entertainment where my groups were responsible for all strategic planning and financial analysis. Prior to Sony, I was Vice President and Chief Financial Officer of 20th Century Fox International working on marketing and distribution strategy, acquisitions and co-financing arrangements. At both Sony and Fox, I worked on structuring and implementing deals with some of the world’s top producers including Revolution Studios, Lucasfilm, MGM and New Regency.

3. Focus Advisory and I have been involved in dozens of bankruptcy cases, and I have conducted valuations and/or sale processes in both Chapter 7 and Chapter 11 contexts.

4. I was approached by John Pringle, who I am advised and believe is the Chapter 7 trustee (the “Trustee”) of the bankruptcy estate of Cinema Management Group, LLC (the “Debtor”), and the Trustee’s counsel regarding a possible role for Focus in the Debtor’s bankruptcy case. I was asked to conduct a very preliminary analysis of the Debtor’s film library and related rights so that the Trustee can determine the best way to maximize the value of the Debtor’s assets.

5. To conduct my preliminary analysis, I was provided with the Debtor’s film “hit list” report, which includes details regarding the terms of the Distribution Agreements entered into by the Debtor (as sales agent) and various distributors for the Debtor’s library of 82 films.

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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 2818 La Cienega Avenue, Los Angeles, California 90034.

A true and correct copy of the foregoing document entitled **Motion To Convert Chapter 7 Case To One Under Chapter 11 And For Appointment Of Chapter 11 Trustee; Declarations Of John Pringle, Todd A. Frealy, And Philip Fier In Support Thereof** be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **January 31, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Jerome S Cohen jsc@jscbklaw.com
- Jeffrey S Kwong jsk@lnbyg.com, jsk@ecf.inforuptcy.com
- Paul J Laurin plaurin@btlaw.com, slmoore@btlaw.com;jboustani@btlaw.com;jose.barajas@btlaw.com
- John D Monte johnmontelaw@gmail.com, monte.johnb117807@notify.bestcase.com
- John P Pringle (TR) brenfro@rpmlaw.com, jpp@trustesolutions.net;jpringle@rpmlaw.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov

**2. SERVED BY UNITED STATES MAIL:** On **January 31, 2025**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **January 31, 2025**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

**January 31, 2025**

Rebecka Merritt

/s/ Rebecka Merritt

Date

Type Name

Signature

Label Matrix for local noticing  
0973-2

Case 2:24-bk-20369-NB

Central District of California  
Los Angeles

Fri Jan 31 09:29:36 PST 2025

7137443 Canada, Inc.  
420 Beaubien Ouest - Suite 204  
Montreal, Quebec Canada H2V 4S6

Cinema Management Group, LLC  
8501 Wilshire Boulevard - Suite 320  
Beverly Hills, CA 90211-3134

Los Angeles Division  
255 East Temple Street,  
Los Angeles, CA 90012-3332

9129-4181 Quebec, Inc  
209 Place Jean Juneau  
St Augustin de Desmaures, Quebec Canada

A Stranger in Paradise, LLC  
c/o Jay Boccia and Daemon Hillin  
1112 Montana Avenue  
Santa Monica, CA 90403-1652

Aliwood Mediterraneo Producciones  
Paseo de la Explanada de Espana - #  
Alicante, Spain

American Inquisition, LLC  
c/o Uncommon Productions, LLC  
760 Main Street - 3rd Floor  
Waltham, MA 02451-0625

Andes Distribution LLC  
3737 Howard Hughes Parkway - Suite 500S  
Las Vegas, NV 89169

Argentum Ent/Nouvelle Vie, LLC  
21201 Kittridge Street - #4412  
Canoga Park, CA 91303-5020

Banc of California  
10100 Santa Monica Boulevard - Suite 500  
Los Angeles, CA 90067-4121

Blood Out Productions, LLC  
10000 Celtic Drive  
Baton Rouge, LA 70809-2501

Bondit LLC  
1639 11th Street - Suite 160  
Santa Monica, CA 90404-3727

Bubble Distribution, LLC  
8840 Wilshire Boulevard  
Beverly Hills, CA 90211-2606

C-Films Deutschland GmbH  
Neuer Pferdemarkt 23  
Hamburg 20359 Germany

Carpe Diem Film TV, Inc.  
5337 Boul St Laurent - Suite 210  
Montreal, Quebec Canada H2T 1 S5

Cleveland Family Trust  
Attn: Russell Cleveland  
5307 Bent Tree Drive  
Dallas, TX 75248-2005

Comet Film GmbH  
Wilhelminenstr. 6 01099 Dresden  
Germany

Cool Beans BV  
Donkercurtiusstraat 7/500 A  
1051 JL Amsterdam, The Netherlands

Cool Beans BV  
Joop Geesinkweg 501  
11114 AM Amsterdam, The Netherlands

Distribution 10e Ave Inc.  
209 Jean-Juneau St-Augustin de Desmaures  
Quebec Canada G3A 2W1

Dream Well Studio  
Olu Iela 9 Riga, LV 1024  
Latvia

ENT One Studios, LTD  
Pory 65/48 02-757 Warsaw  
Poland

Edward Noeltner  
112 rue Caulaincourt  
Paris, France 75018  
CA

Franchise Tax Board  
ATTN: Bankruptcy  
POB 2952  
Sacramento, CA 95812-2952

Frobro Films, LLC  
124 West Garfield Avenue - Apt A  
Glendale, CA 91204-2102

Gasland, LLC  
37 Grand Avenue - 3rd Floor  
Brooklyn, NY 11205-1309

Gullane Entretenimento SA  
Rue Baralha, 137  
Alto da Lapa 05083-020 S'ao Paulo Brazil

Gunned Down Productions, Limited  
20 Bunhill Row  
London EC1Y 8UE Great Britain

Internal Revenue Service  
POB 7346  
Philadelphia, PA 19101-7346

Jim Taylor  
6481 Weeping Willow Way  
Tallahassee, FL 32311-0309

Karen Frederickson  
1417 Glenbrook Drive  
Oklahoma City, OK 73118-1025

Khumba Film Pty Ltd  
The Long House Dreyersdal Farm  
Bergvliet, Caps Town South Africa

Liddell Entertainment, LLC  
606 North Larchmont Boulevard - Suite 20  
Los Angeles, CA 90004-1309

Lipper/Daly Productions, LLC  
13838 Albers Street  
Van Nuys, CA 91401-5811

Little Big Boy, AIE  
Calle de la Lleialtat 16, 4th Floor  
Barcelona 08001, Spain

Loosies LLC  
255 Main Street  
East Greenwich, RI 02818

Loving Vincent Distribution Limited  
14a Goodwin's Court  
London WC2N 4LL United Kingdom

Loving Vincent Limited  
14a Goodwin's Court  
London WC2N 4LL United Kingdom

MPI, Ltd  
11300 West Olympic Boulevard - Suite 770  
Los Angeles, CA 90064-1644

Marie-Claude Beauchamp  
420 Beaubien Wes - Suite 204  
Montreal, Canada H2V 4S

Melmoth Productions Limited  
9-11 Broadwick Street  
London W1F 0DB, United Kingdom

Mission Katmandou Inc.  
209 Jean-Juneau St- Augustin de Desmaure  
Quebec, Canada G3A 2W1

Mondex & Cie Sarl  
10 Rue Mesnil Paris 75116  
France

Mulmur's Still, Inc.  
528100 5th Sideroad  
Mansfield, Ontario Canada L0N 1M0

No Man's Land LLC  
423 North Fairview Strret  
Burbank, CA 91505-3528

Numb Production Ltd  
6508 Denhigh Avenue - \$416  
Burnaby, BC Canada V5H W6

Odd Box, LLC  
14301 Caliber Drive - Suite 300  
Oklahoma City, OK 73134-1016

Parsimony Pictures, LLC  
13031 Villosa Place - #109  
Playa Vista, CA 90094-6500

Paul J. Laurin, Esq.  
Jonathan Boustani, Esq.  
BARNES & THORNBURG LLP  
2029 Century Park East, Suite 300  
Los Angeles, California 90067-2904

Ratchet Poductions LLC  
200-2025 West Broadway  
Vancouver, British Columbia Canada V6J 1  
CA

Roslyn Productions, LLC  
852 Bay Street - #5  
Santa Monica, CA 90405-1362

Saving Santa The Movie, LLC  
9 Wimple Street  
London W1G 9SR United Kingdom

Shax Animation France  
146 Avenue de Lodeve  
34070 Montpellier France

Son of House Limited  
19 Lesmill Road  
Toronto, Ontario M3B2T3 Canada

The Character Shop  
64 Water Street - Jewellery Quarter  
Birmingham B3 1 HN United Kingdom

The Institution  
475 Gold Canyon Road  
Calabasas, CA 91302-2204

The Perfect Host, LLC  
2932 Wilshire Boulevard - Suite 201  
Santa Monica, CA 90403-4948

United States Trustee (LA)  
915 Wilshire Blvd, Suite 1850  
Los Angeles, CA 90017-3560

WW Entertainment BV  
Meeuwenlaan 100  
1021JL Amsterdam Netherlands

Case 2:24-bk-20369-NB  
Wonderdog 1 Productions, Inc.  
341 Water Street - Suite 200  
Vancouver, British Columbia V6B1B8

Doc 19 Filed 01/31/25 Entered 01/31/25 09:40:01 Desc  
Main Document Page 24 of 24  
Zambesi Film Pty Ltd  
The Long House Dreyesdal Farm  
Bergvliet, Cape Town, South Africa

John D Monte  
Law Offices of John D. Monte  
15303 Ventura Blvd Ninth Fl  
Suite 710  
Sherman Oaks, CA 91403-6667

John P Pringle (TR)  
Roquemore, Pringle & Moore, Inc.  
13300 Crossroads Parkway North Suite 185  
City of Industry, CA 91746-3404

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Cool Beans BV	(u)Wonderdog 1 Productions Inc.	(u)Afraid of the Dark LLC
(u)Atresmedia Cine, SLU Avenida Isla Graciosa, 13 San Sebasti?n de los Reyes 28073 Madrid,	(u)Bullett Entertainment LLC Broken Vows 13488 Maxella Ave - Suite 204	(u)Cool Beans BV Joop Geesinkweg 501/2A7 1114AB Amsterdam
(u)Loving Vincent Sp.z.o.o. UL Trzy Lipy 3 80-172 Gdansk	(u)Marina del Rey, CA 90292	End of Label Matrix Mailable recipients 63 Bypassed recipients 8 Total 71